

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ORIGINAL

INDEX OF
ELECTRIC SERVICE REGULATIONS

STATE OF UTAH
STATE OF ARIZONA

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IN COMPLIANCE WITH
DECISION #: 56655

EFFECT. NOV. 1, 1989

ARIZONA CORPORATION
COMMISSION

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Director of Utilities

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

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ELECTRIC SERVICE REGULATION NO. 1

STATE OF UTAH
STATE OF ARIZONA

GENERAL PROVISIONS

1. These Electric Service Regulations are designed to govern the supplying and receiving of **electrical** service to all who desire it **within the** Cooperative's service area at the **lowest** price consistent with the highest standards of service.
2. These **Regulations** supersede **all previous** regulations, and may be revised upon approval of **the** regulatory authority.
3. The rules **regulating** electric **service** prescribed by the **Public Service Commission** of Utah and The Arizona Corporation **Commission** are hereby adopted and are made a part of these Regulations and Tariff.

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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 2

STATE OF UTAH
STATE OF ARIZONA

GENERAL__DEFINITIONS

1. The following terms when used in this Tariff and in the Application or Agreement for Electric Service shall have the meanings given below unless clearly indicated otherwise:

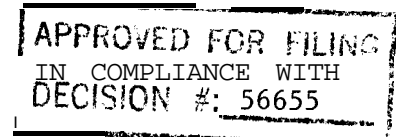
- (a) Cooperative Dixie-Escalante Rural Electric Association, Inc.
- (b) Customer - An individual, partnership, corporation, organization, governmental agency, political subdivision, municipality or other entity contracting with the Cooperative for electric service at one location end at one point of delivery.
- (c) Electric__Service - The availability of electric power and energy at the Customer's point of delivery at the approximate voltage and for the purposes specified in the application for electric service, electric service agreement or contract, irrespective of whether electric power and energy is actually used.
- (d) Point of Delivery - The point, unless otherwise specified in the Application for Electric Service, Electric Service Agreement or Contract., at which the Cooperative's service wires are connected with wires or apparatus of the Customer. If the Cooperative's service wires are connected with ~~wires~~ or apparatus of the Customer at more than one point, each connecting point shall be considered a separate Point of Delivery, unless the additional connecting points are made by the Cooperative for its sole convenience in supplying service. Any additional service supplied by the Cooperative at a different voltage or phase classification shall also be considered a separate Point of Delivery. Each Point of Delivery shall be separately metered and billed.
- (e) Customer's Installation - The wiring and apparatus owned by the Customer and on his side of the Point of Delivery (except the Cooperative's meter installation) useful in connection with the Customer's ability to take service.

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- (f) Power - Electric power measured in kilowatts (kw). For billing purposes, Power is the Customer's maximum use of electricity shown by or computed from the readings of Cooperative's kilowatt meter for a 15-minute period, unless otherwise specified in the applicable rate schedule; at the option of the Cooperative it may be determined either by periodic tests or by permanent meters. Power peaks due to accidents which the customer could not have guarded against will be disregarded.
- (g) Energy - Electric energy measured in kilowatt-hours. For billing purposes, Energy is the Customer's total use of electricity measured in kilowatt-hours during any month.
- (h) Month - The period of approximately thirty (30) days intervening between regular successive meter reading dates. At Cooperative's option, meters may be read and bills rendered either monthly or bimonthly.
- (i) Year - The period between the date of commencement of service under Application for Electric Service, Electric Service Agreement or Contract and the same day of the following calendar year.
- (j) Power Factor - The percentage determined by dividing customer's average power use in kilowatts (Real Power) by the average kilovolt-ampere power load (Apparent Power) imposed upon Cooperative by Customer.



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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 3

STATE OF UTAH
STATE OF ARIZONA

ELECTRIC SERVICE AGREEMENTS

1. APPLICATION FOR SERVICE

Each prospective Customer desiring electric service shall be required to sign the Cooperative's standard form for Application and each applicant is **encouraged** to become a member of the Cooperative. Each applicant must also produce evidence that he **is** in a county **subdivision** or **that** he has a building permit.

2. IMPLIED SERVICE AGREEMENT

In the absence of a signed agreement or application for service, the delivery of electric service by the Cooperative and the acceptance thereof by the Customer shall be deemed to constitute an agreement. by and between the Cooperative and the Customer for delivery and acceptance of **electrical** service under the terms of the rate applicable to such service.

3. ELECTRIC SERVICE AGREEMENT RATE SCHEDULE, AND ELECTRIC SERVICE REGULATIONS

These Regulations and the applicable Rate Schedule are hereby made a part of each Agreement for Purchase of power-, expressed or implied. In case of a conflict between any of the provisions of the Agreement of Purchase of Power, Rate Schedule and the Electric Service Regulations, the provisions of the Rate Schedule will take precedence.

4. RENEWAL AND TERMINATION

At the expiration of the term stated in the Agreement for Purchase of Power, or any renewal thereof, or any extended term thereof, the Agreement for Purchase of Power shall be automatically renewed for a **like** term, unless either the Cooperative or the Customer notifies the other in writing six (6) months prior to termination date, or unless otherwise stated in the Agreement for Purchase of Power. ,

5. CUSTOMER'S OBLIGATION TO FULFILL AGREEMENT

Where the Customer **entirely** suspends operations during the agreement period, the Customer **is** still obligated to pay the minimum rates as **set** by the Agreement for Purchase of Power until such agreement terminates.

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6. REMEDIES FOR THE COOPERATIVE

For any default or breach by Customer of a Service Agreement or failure to pay bills promptly, Cooperative may terminate the service agreement or suspend the supply of service. No such termination or suspension will occur without 15 days written notice to the customer, stating in what particular manner the Agreement for Purchase of Power has been violated; except in cases of theft or unauthorized use or disposition of service by Customer, or in case of a dangerous condition on a Customer's side of the Point of Delivery of which the Cooperative is made aware.

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DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 4

STATE OF UTAH
STATE OF ARIZONA

SUPPLY & USE OF SERVICE

1. SUPPLY OF SERVICE

The Cooperative rates are based upon the furnishing of electric service to a Customer at a single point of delivery and at a single voltage and a specified phase classification. Each individual residential user, each separately operated business activity, and each separate building will be considered an individual customer for billing purposes; except that if several buildings are occupied and used by one customer in the operation of a single business, the Cooperative will furnish service for the entire group of buildings through one service connection at Point of Delivery, provided all such buildings are located on contiguous property not separated by property of other ownership or divided by public streets, roads, alleys, other public thoroughfares, railroad tracks or waterways.

2. CUSTOMER'S USE OF SERVICE

Electric service will be supplied only under the applicable rates to be determined from time to time in accordance with the by-laws of the Cooperative, provided however, that the Cooperative may limit the amount of electric energy to be furnished for industrial uses. Electric service will be supplied only to those for whom the Cooperative is the sole source of electric power and energy.

3. CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electrical power and energy; but, if such supply should fail or be interrupted or become defective through an act of God, the public enemy, by accident, strikes, labor trouble, by action of the elements, or inability to secure right-of-way or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable therefore.

4. STRIKES, ACCIDENTS AND RESTRICTIONS

Strikes, labor troubles, accidents, litigations, State, Federal or local government interference or other causes affecting third parties, shall not relieve Customer of liability for payment of minimum bills or any term minimum guarantees.

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5. SUSPENSION OF SERVICE FOR REPAIRS AND CHANGES

For the purpose of making repairs to or changes in Cooperative. plant, generating equipment, transmission or distribution system or other property, the Cooperative may, without incurring any liability therefrom, suspend service for such period as may be required but will endeavor to avoid unnecessary inconvenience to the Customer. Whenever possible the Cooperative will give reasonable notice prior to suspension of service.:

6. CUSTOMER'S RESPONSIBILITY

The Customer assumes all responsibility on the Customer's side of the Point of Delivery for service supplied or taken and will indemnify and defend the Cooperative against all claims, demands, costs or expenses for loss, damage or injury to persons or property in any manner connected directly or indirectly with the transmission or use of electric service by the Customer at or on the Customer's side of the Point of Delivery.

7. ACCESS TO PREMISES

The Cooperative shall be granted by the Customer all the necessary permission to enable the Cooperative to install and/or maintain, reconstruct, rephase, repair and operate the electrical installation in order to carry out its contract. The Cooperative shall have the right, through its agents or other employees, to enter upon the premises of the Customer at all reasonable times for the purpose of reading, inspecting, removing metering devices, apparatus and wiring of the Cooperative and for all other purposes incident to the supplying or discontinuance of service.

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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 5

STATE OF UTAH
STATE OF ARIZONA

CUSTOMER'S-~~W~~INSTALLATION

1. CUSTOMER'S-~~W~~INSTALLATION-~~W~~AND-~~W~~EQUIPMENT

All wires and equipment (except Cooperative's meters and accessories) on the Customer's side of the Point of Delivery must be installed and maintained at the expense of the customer'. All wires, apparatus and equipment shall be selected with a view to obtaining safety, efficiency, good voltage regulation, and the highest practical power factor, and shall comply with the standards of the National Electrical Safety Code issued by the National Bureau of Standards and the National Electric Code of the National Board of Fire Underwriters and also with regulations of any governmental authority having Jurisdiction.

2. ~~SERVICE ENTRANCES AND CONNECTIONS~~

The Customer shall provide a suitable service entrance to the premises to be served at the point specified by the Cooperative. Such entrance facilities shall provide a structurally sound point of attachment or support for the Cooperative's service conductors which will permit the clearances required by law.

3. ~~CUSTOMER'S LOAD AND OPERATIONS~~

The Cooperative reserves the right to refuse to connect or supply service to any applicant or to any Customer where such connection or service will adversely affect the service supplied to its other Customers or where the applicant or Customer has not complied with state, municipal or Cooperative regulations.

Suitable protective devices on the Customer's premises may be required at Customer's expense whenever the Cooperative deems such installation necessary to protect its property or that of its other Customers.

The Customer shall provide devices adequate to protect his equipment from high and low voltage and from overload. Three-phase motors should be protected against reversal of phase rotation and "single phasing". The Cooperative will make every reasonable effort to avoid phase reversal and "single phasing" but the Customer should provide adequate protection for his equipment.

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4. INSPECTION BY COOPERATIVE

The Cooperative shall have the right, but does not assume the duty, to inspect Customer's installation at any, reasonable time and to refuse to commence or to continue service whenever it does not consider such installation to be in good operating condition. Inspection of or failure to inspect by the Cooperative any Customer installation shall in no way render liable the Cooperative for any injury or damage resulting from such installation of the Customer.

5. HIGHLY FLUCTUATING LOADS

The Cooperative reserves the right to refuse to supply service to loads of a character which may seriously impair service to any Customer and shall have the right to discontinue service to the Customer who shall continue to use appliances or apparatus detrimental to the service to any other Customer after being notified thereof in writing by the Cooperative.

6. CHANGES IN INSTALLATION

The Cooperative's wires, transformers, meters, and other facilities used in supply of service to Customer have a definite limited capacity. Customer shall therefore give notice to the Cooperative and obtain Cooperative permission before making any material changes or increases in Customer's installation. The Cooperative reserves the right to refuse permission and/or to advise the Customer upon what conditions service can be supplied.

7. COOPERATIVE'S RESPONSIBILITY

Nothing in the Electric Service Regulations shall be construed as placing upon the Cooperative any responsibility for the condition or maintenance of the Customer's wiring, current consuming devices or other equipment, and the Cooperative shall not be held liable for any loss or damage resulting from defects in the Customer's installation and shall not be held liable for damage to persons or property arising from the use of the service on the premises of the Customer.

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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 6

STATE OF UTAH
STATE OF ARIZONA'

COOPERATIVE__INSTALLATION

1. COOPERATIVE'S__INSTALLATION

Except as otherwise provided in the Service Regulations, in the hgree'ment for the Purchase of Power or Rate Schedules, the Cooperative **will** install and maintain its lines **and** equipment on its side of the Point of Delivery; but shall not be required to install or maintain any lines or equipment except meters and accessories beyond that point. Only agents of **the** Cooperative are authorized to connect Cooperative's **supply** wires to Customer's **service** terminals.

2. COOPERATIVE__PROPERTY

All lines, apparatus, instruments, **meters** and **materials** installed by the Cooperative within the Customer's premises, shall be and remain the property of the Cooperative and may be removed by the Cooperative upon discontinuance of service. In the event of loss or damage to the Cooperntive's property, rising from **neglect**, carelessness, or **misuse** by the Customer, the cost **of** necessary repairs or replacement **shall** be paid by the Customer.

3. SERVICE__FROM__EXISTING__LINES

Service **will** be supplied to the Customer **from** the Cooperative's nearest line of sufficient capacity and appropriate phase and voltage to furnish adequate service under applicable rate schedule.

4. RELOCATION__OF__LINES

The Cooperative will relocate its lines when such relocation is necessary, practical and Justified. The Cooperative shall be sole Judge of the circumstances concerning necessity, practicality and Justification for relocation.

If property owner requests relocation **of lines** on his property he shall bear the cost.

Right-of-way shall be provided to the Cooperative without cost to the Cooperative.

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5. RIGHT-OF-WAY

Customer shall make or secure without expense to the Cooperative conveyance for the Cooperative of satisfactory right-of-way easements across the property owned or controlled by the Customer for the Cooperative's lines or extensions thereof necessary or incidental to the furnishing of service to the Customer and shall permit access thereto by the Cooperative's employees at all reasonable hours. The Customer shall permit the Cooperative to cut, trim and control the growth by chemical means, machinery or otherwise, of trees and shrubbery located within 20 feet of the center line of said line or system.

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STATE OF UTAH
STATE OF ARIZONA

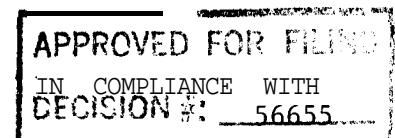
METERING

1. INSTALLATION

The Customer shall make provision for the connections of metering equipment at a convenient place, readily accessible without risk of bodily harm to Cooperative's employees, free from vibration, corrosive atmosphere, and abnormal temperatures, in which to install the Cooperative's metering equipment and shall furnish a meter base for Cooperative's meter. All meter locations and provisions for connecting metering equipment are subject to approval by the Cooperative. The Cooperative will furnish, install, and maintain at its own expense the necessary meter or meters and accessories, excepting meter bases, to measure the electric service used by the Customer. The Customer shall provide and maintain a satisfactory location for the installation without expense to the Cooperative. Where the character of the service requires a graphic meter, the chart of which must be changed weekly, the Customer will provide attendance, when requested by the Cooperative, to care for and change the meter charts as required. The Customer will not interfere with or alter or permit interference with or alteration of the Cooperative's meter or other property.

2. FAILURE TO REGISTER

If the Cooperative's meter shall fail at any time to register accurately, the Cooperative may estimate Customer's power and energy during the time of such failure on the basis of the best available data. If any appliance or wiring connections are found on Customer's premises which prevent the meter from accurately recording the total amount of power and energy used on the premises, the Cooperative may at once remove such wiring or appliance and may estimate the power and the amount of energy consumed and not registered, as accurately as it is able to do so. The Customer will immediately pay for such estimated power and energy consumption together with the expense of removing any such wiring or appliances and restoring the equipment of the Cooperative to its normal operating conditions. The Cooperative may also refuse further service or require the Customer to make such changes in his wiring installation as the Cooperative deems proper.



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3. METER TESTING

The Cooperative will test and inspect its meters from **time** to time and maintain their accuracy of registration in accordance with generally accepted practices and the rules and standards established by applicable regulatory authorities. A service charge, as set forth in the Schedule of Miscellaneous Service Charges, shall be imposed for meter testing performed at the written request of the Customer. If any such special test shows the average registration of a meter to be in error by more than 2% fast or slow, the Cooperative will bear the cost of the test. If the amount of error is less than 2%, the Customer will bear the cost of the test unless the meter has not been tested at the Customer's request within the 12 month period immediately preceding such request. When an average error of more than 2% is determined, the Cooperative will make a refund where the meter is fast and the Customer will pay the difference where the meter is slow. The billing adjustment for residential and commercial service will be made only for one-half the period of intervening since the last test but not to exceed 6 months. In case of pump wells having a faulty meter, a water reading may be used to compute the percent of error for the season.

4. METER REREADS

A service charge, as set forth in the Schedule of Miscellaneous Service Charges, shall be charged for rereads at the Customer's request, provided the original reading was not in error.

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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 8

STATE OF UTAH
STATE OF ARIZONA

BILLING

RATE SCHEDULES

The rates prescribed by all Rate Schedules are subject to revision upon approval of the Board of Directors of the Association and shall be effective when duly authorized by law.

BILLING PERIOD

Bills ordinarily will be rendered monthly, but may be rendered more frequently or at different intervals at the option of the Cooperative. Estimated bills will be rendered when regular meter readings are not secured.

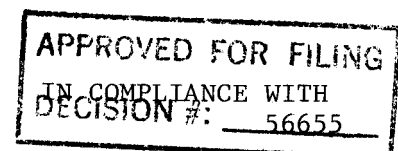
ADDRESS OF CUSTOMER

Bills will be mailed to the address of the Customer appearing in the Application for Electric Service or to such address as Customer may request. When Customer vacates the premises where service is received, his contract shall continue in effect until he notifies the Cooperative to cancel or transfer said agreement.

After mailing, the Cooperative assumes no responsibility for lost bills.

SEPARATE BILLINGS

At each Point of Delivery, the use of service shall be metered and/or billed separately for each Customer served.



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PAYMENT OF BILLS

Bills for electric service supplied during the preceding billing period are due and payable when rendered. A Customer will have fifteen (15) days from the date the current bill was rendered to pay the new balance, which date shall be the statement due date. In the event the Customer tenders a payment of less than the full amount of the bill rendered, the Cooperative will apply said payment pro rata first to the charges in default and interest and the remainder, if any, to the current monthly charges unless otherwise agreed to by the Cooperative. In the event the Customer tenders a check in payment of his bill and said check is returned by the bank unpaid because of insufficient funds or any other reason, the Customer will be charged an NSF charge, as set forth in the Schedule of Miscellaneous Service Charges. A Customer who tenders an insufficient check shall in no way be relieved of the obligation to render payment to the Cooperative; nor avoid imposition of a late charge; nor otherwise defer the termination of service for non-payment of bills.

Commencing sixteen (16) days after the billing is rendered, a late charge, as set forth in the Schedule of Miscellaneous Service Charges, will be assessed against any unpaid balance.

FIELD COLLECTION CALL

In the case of a delinquent account only, the Customer may pay the total amount due to the terminating employee, including a field collection charge, as set forth in the Schedule of Miscellaneous Service Charges, for the field collection call. If the Customer does not pay the total amount due, including the field collection charge, service shall be disconnected.

DISCONTINUANCE OF SERVICE

If the Customer violated the conditions under which the Cooperative supplies service under his Agreement for Purchase of Power and these Service Regulations or if he fails upon request from the Cooperative to pay a bill for service, the Cooperative may discontinue service upon not less than fifteen (15) days written notice stating the cause of such discontinuance. If service to the Customer be so discontinued, the Customer shall pay a disconnect fee and an additional fee for reconnection, as set forth in the Schedule of Miscellaneous Service Charges. If the Customer requires connection, disconnection or reconnection after the regular working hours of the Cooperative, the service charge will be as set forth in the Schedule of Miscellaneous Service Charges. In addition, the Cooperative reserves the right to discontinue service upon notice for any of the following reasons:

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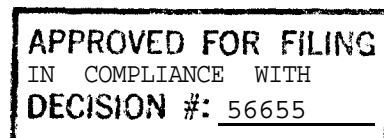
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- A. For the use of electricity for any property or purpose other than that described in the application made thereof.
- B. Under any flat rate service, for addition to such property or fixtures, or increase in the use to be made of electricity.
- C. For failure to maintain in good order service entrance facilities or equipment owned by the Customer.
- D. For tampering with any service wires, meter, seal or any other facilities of the Cooperative.
- E. In case Customer vacates premises either permanently, with or without notice to Cooperative, or temporarily with notice to Cooperative to stop service for the vacation period.
- F. For use of equipment which adversely affects the Cooperative's service to its other Customers.
- G. For refusal of reasonable access to property to the agent or employee of the Cooperative for the purpose of inspecting the facilities or for testing, reading, maintaining or removing meters.
- H. For fraudulent use of service.

The right to discontinue service for any of the above reasons may be exercised whenever and as often as such reasons may occur, and neither delay nor omission on the part of the Cooperative to enforce this rule shall be deemed a waiver of its right to enforce the same at any time so long as the reason continues.

Fifteen (15) days written notice will be given the Customer before service is discontinued under this provision, except in the case of danger to life or property when the Cooperative may discontinue service without notice.

The Cooperative will restore service when the cause of discontinuance has been removed and payment of all proper charges due from the Customer including the disconnection and reconnection charges set forth in these Service Regulations has been paid.



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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 9

STATE OF UTAH
STATE OF ARIZONADEPOSITSDEPOSITS

The Cooperative, at any time in the absence of credit references satisfactory to the Cooperative or because of habitual failure to regularly and promptly pay bills for service, may require a suitable cash deposit from any existing or prospective Customer to guarantee payment of bills. Such initial deposit shall not exceed the amount set forth in the Schedule of Miscellaneous Service Charges.

NON-PROPERTY OWNERS DEPOSIT

Customers not having title to the premises on which they reside are required to pay an initial deposit not to exceed the amount set forth in the Schedule of Miscellaneous Service Charges.

ADJUSTMENT OF DEPOSIT

The Cooperative may review the Customer's usage after service has been connected and adjust the deposit amount based upon the Customer's actual usage.

INTEREST

Simple interest, computed from the date of deposit at the rate set forth in the Schedule of Miscellaneous Service Charges, will be paid by the Cooperative upon all such deposits which have been held continuously by the Cooperative for a period of six (6) months or longer. Deposits with accrued interest, if any, will be repaid at the end of twenty-four (24) months or sooner at the option of the Cooperative unless the Customer has failed to regularly and promptly pay all his bills for service within fifteen (15) days after bills have been rendered. When the Customer's documented actions, in the judgment of the Cooperative, constitute an extraordinary credit risk, the Cooperative may hold the deposit of the Customer for a period longer than twenty-four (24) months, even though the Customer has regularly and promptly paid all his bills for service within fifteen (15) days after bills have been rendered. Upon settlement of the Customer's account, any unused balance of deposit with accrued interest, if any, will be returned to the Customer. In computing interest, consideration shall be given only to major parts of months or dollars. Interest on the Customer's deposit shall cease upon discontinuance, for any reason, of the Customer's service.

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IN COMPLIANCE WITH
DECISION # 56655

NON-PAYMENT OF BILLS

An applicant for electric service who is a former Customer of the Cooperative and whose service was discontinued for non-payment of bills will be required to make payment of all amounts remaining unpaid from his previous service in addition to a suitable deposit not to exceed three times the estimated average monthly bill.

PAYMENT OF AMOUNTS DUE AND OWING

The Cooperative may apply all or any part of the Customer's deposit prescribed herein above to the payment of amounts due and owing the Cooperative for service rendered; and if Customer shall fail to restore any such deposit to its full amount within thirty (30) days after written request for restoration is mailed by Cooperative to Customer, Cooperative may discontinue service until deposit is restored to its full amount.

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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 10

STATE OF UTAH
STATE OF ARIZONA

PRE-PAYMENTS

1. GENERAL

Pre-payments are required by the Cooperative of all pumping systems in the area of the Cooperative. This is determined by the number of horsepower multiplied by the pre-payment charge set forth in the Schedule of Miscellaneous Service Charges. This payment is to be made each season before the service is used.

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DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

LINE EXTENSION POLICY

ARIZONA CUSTOMERS

1. General Provisions: Dixie Escalante Rural Electric Association, Inc. (Association) will provide electric service within the boundaries of its service area when right-of-ways are furnished, and the applicant complies with the conditions of one of the following classifications as determined by the Association. The Association will own, operate and maintain all extensions made under this rule.
 - a: "Permanent Service" as herein defined, includes service to Residential, Irrigation, General Service and Commercial when the use of service, both as to amount and permanence, can be assured.
 - b: "Indeterminate Service," as herein defined, includes but is not limited to service to mines, quarries, oil wells, industrial, manufacturing and large commercial enterprises of speculative nature, real estate subdivisions, mobile home and recreational vehicles, property being developed for sale, enterprises where there is little or no immediate demand for service by any other consumer, seasonals, and other service (except that defined hereinafter as "Temporary") where the amount and permanence of use cannot reasonably be assured.
 - c: "Temporary Service," as herein defined, includes but is not limited to service to circuses, bazaars, fairs, concessions and similar enterprises, construction work, etc., of a temporary nature, and ventures of such uncertain speculative nature that their permanence is questionable; such as mining or oil and gas production operations, etc. which, during the preliminary or development period of same, may at Association's option, be classified in this category of service.

Contribution-in-aid of construction will be calculated to reflect the estimated construction costs as determined by the Association.

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2. Extension for Permanent Service:

- a: The applicant will be required to make a non-refundable contribution-in-aid of construction for the entire construction investment.
- b: If a consumer desires a line extension from a line on which a contribution-in-aid has been made, the new consumer shall pay a pro rata share of the original contribution-in-aid of construction if this occurs within 60 months after construction of the line. The pro-rated share will be based on a 20% reduction in the cost factor for the actual line extension costs for each of the five years. Dixie Escalante will reimburse the pro rata share to the original payer.

3. Extension for Indeterminate Service:

- a: The applicant will be required to make a non-refundable contribution-in-aid of construction for the entire construction investment.
- b: Platted developments being subdivided for future potential residential homesites will require a construction contribution to be made to cover the cost of the basic backbone primary system being installed. A standard 200 amp service will be allowed for indeterminate services, both overhead and underground.

4. Extension for Temporary Service:

- a: For service classified as "Temporary," Association shall require applicant to pay Association in advance of construction an amount equivalent to Association's estimate of the total cost of construction and removal of the extension.
1. The salvage value will be refunded, if any exists, at the time the extension is removed.
- b: Service provided to a temporary extension shall be billed in accordance with the rate schedules applicable.
- c: Association may refuse to connect additional consumers to temporary extensions.
- d: Service over a temporary extension will not be continued for a period longer than eighteen (18)

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months; and if consumer desires service thereafter, said continued service shall be furnished under the terms of either the "Permanent" or "Indeterminate" plan if Association's estimate of the future use of service justifies the continued operation and maintenance of the line.

5. Extension for Underground Power Lines: Primary and/or secondary underground power lines will be supplied upon request when feasible. The consumer will pay, as contribution-in-aid of construction, 100% of the actual costs of construction for the primary and/or secondary power lines and related power equipment. The Association will install the basic backbone system and will require that all primary underground extensions be a loop-feed system.

Meter loops and secondary extensions from the point of service to Association's transformers or secondary pedestals shall be the responsibility of the consumer, but must meet the inspection standards of the Association.

The Association will install, own and maintain all underground facilities to the point of delivery. The customer may, at Association's discretion, be required to provide the excavation, bedding material as required, **back** fill of trenches, and ground restoration.

6. Large Industrial Load: Large industrial **loads** involving special construction or circumstances will be individually analyzed and the provisions of the extension policy applied as agreed upon.
7. Idle Service: For services determined to be idle, Association may exercise its option to remove said service and use the materials elsewhere. Should the consumer require service at that location at some future **date**, he will be given service according to the provision of this policy under the applicable classification as determined by the Association.
8. Impact Fees: All applicants for new service, are subject to payment of an impact and connect fee as determined on the attached 'SCHEDULE A'.

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SCHEDULE 'A'

IMPACT FEES

ARIZONA CUSTOMERS

Service Size - Fee -

Residential:

Installed Capacity of Over 20 KW \$ 750.00

Commercial, Irrigation, General Service, etc.:

Maximum Installed Capacity \$ 60/KW

Upgrading of existing service will require the applicable impact fees to be paid.

CONNECT FEES

All Services: \$ 20.00

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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 12

STATE OF UTAH
STATE OF ARIZONA

TAXES

1. GENERAL

In the event any governmental body shall impose or increase any franchise, occupation, sales, license, excise or other tax or charge of any kind or nature, including taxes or charges based upon electricity sold, the services rendered or the receipts or income therefrom, the pro rata amount thereof will be added to and, as a part of the effective rate or charge, separately itemized and billed to all Customers in the area or locality in which such tax **or** charge applies.

2. STATE SALES TAX

A sales tax of the prevailing rate shall be separately itemized on each Customer's power bill.

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